BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U 39 M), a California Corporation, and Froelich Construction Co., Inc., for an Order Authorizing the Sale and Conveyance of a Certain Parcel of Land in Kern County Pursuant to Public Utilities Code Section 851.

Application 02-11-035 (Filed November 19, 2002)

ADMINISTRATIVE LAW JUDGE'S RULING REQURING PARTIES TO COMMENCE DISCOVERY, MEET AND CONFER, AND FILE CASE MANAGEMENT STATEMENT, AND APPLICANTS TO FILE AND SERVE SUPPLEMENTAL INFORMATION

In this application, Pacific Gas and Electric Company (PG&E) and Froehlich Construction Co., Inc. (Froehlich) seek Commission approval pursuant to Public Utilities Code Section 851 of a proposed sale of PG&E property located in Kern County to Froehlich. The Commission Office of Ratepayer Advocates (ORA) has filed a protest, which argues that applicants have not provided sufficient information regarding the environmental effects of the proposed transaction and that the gain on sale should be allocated to ratepayers in this proceeding.

Upon review of the application, the protest filed by ORA, and the reply filed by PG&E, the parties are directed to do the following in preparation for the prehearing conference scheduled for March 28, 2003 at 2:00 p.m. in San Francisco:

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- Commence and, if possible, complete any necessary discovery;
- Meet and confer regarding disputed issues and attempt to resolve any factual disputes by stipulation;
- File a joint case management statement by no later than March 24, 2003 which identifies disputed factual and legal issues and addresses:
- The status of discovery;
- The outcome of the meet and confer:

The need for a hearing and, if a hearing is requested, several proposed hearing dates.

If the parties are able to reach agreement regarding any factual disputes, they shall file the stipulation with the case management statement.

PG&E shall also file and serve a legal description, which reflects the acquisition of part of the property by the City of Bakersfield through eminent domain, and a copy of Section E, Accounting Instruction (Land and Land Rights, of FERC's uniform System of Accounts (USOA) by no later than March 25, 2003.

In addition, although the application states that PG&E has no information regarding the proposed use of the property by Froehlich, the Commission is required to review the environmental consequences of the proposed transaction under the California Environmental Quality Act (CEQA). We note that according to the application, the local agency has currently zoned the property as within the PCD – Planned Commercial Development Zone, C-2 PCD – Commercial-Planned Commercial Development Zone, and A-F PS – Agricultural Floodplain Secondary Zone, and that Froehlich is in the business of performing construction. Applicants shall therefore file and serve a statement

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under penalty of perjury that addresses the following by no later than March 25, 2003:

- Froehlich's intended use for the property;
- Whether Froehlich has sought any permits or other authorization related to the use or development of the property from any local agency;
- The status of any CEQA review performed or being performed by the local agency.

A copy of all documents required to be filed by this ruling shall also be forwarded directly to me by facsimile sent to (415) 703-1723, e-mail addressed to tom@cpuc.ca.gov, personal delivery, or overnight mail by no later than March 25, 2003.

IT IS SO RULED.

Dated March 6, 2003, at San Francisco, California.

/s/ MYRA J. PRESTIDGE

Myra J. Prestidge

Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Requiring Parties To Commence Discovery, Meet And Confer, And File Case Management Statement, And Applicants To File And Serve Supplemental Information on all parties of record in this proceeding or their attorneys of record.

Dated March 6, 2003, at San Francisco, California.

/s/ JACQUELINE GORZOCH

Jacqueline Gorzoch

NOTICE

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074,

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TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.